

CHAPTER 10  
INDUSTRIAL TECHNOLOGY ACCESS PROGRAM

**851—10.1(15E) Purpose.** The industrial technology access program is to implement Iowa Code section 15E.152(7), specifically to provide financial assistance to projects involving a collaboration between Iowa business and an Iowa institution of higher education to develop, acquire or deploy contemporary technologies for new products, improved production processes or industrial management techniques in order to enhance economic growth, competitiveness and diversification.

**851—10.2(15E) Provision of financial assistance.** The foundation may advance funds to a business or an institution to carry out a project involving research, development, testing, prototyping or other activities related to the commercial development of new products, industrial processes, techniques, systems or services.

**10.2(1) Form of assistance.** Financial assistance may be in the form of a grant, loan, equity investment, participation in a research and development limited partnership, royalty agreement, or other form determined to be appropriate in each specific case.

**10.2(2) Uses of funds.** Funds advanced by the foundation may be used for:

- a. Payment of reasonable salaries and benefits of employees of the business or institution in proportion to their involvement in the project;
- b. Research and development services conducted under contract to third parties including businesses or institutions located out of state;
- c. Market research, engineering and economic feasibility studies;
- d. Acquisition of specialized materials, equipment, instrumentation, or facilities to be used in the project;
- e. Leases or other agreements for the use of laboratory facilities or other real estate to be occupied by a business involved in the project;
- f. Marketing expense, including advertising, promotional, travel, trade show participation, and similar expenses associated with introduction of the project in commercial markets;
- g. Other purposes determined by the foundation to be necessary and appropriate to the project.

**851—10.3(15E) Eligible applicants.** Applications for participation in the industrial technology access program may be made by any business or institution, both as defined herein, provided that each application shall be made on behalf of a collaborative project which shall involve a business and an institution, including consortiums or joint ventures of businesses or institutions.

**851—10.4(15E) Contribution of other funds.** Applications shall include provision for cost sharing of all expenses to be incurred in a project by contribution of cash or cash equivalent of services, consumable materials, or depreciable equipment in an amount of not less than one dollar for each dollar of financial assistance provided from state funds. Matching fund contributions shall not include funds directly or indirectly received from any state appropriation. Federal government funds provided by an institution or a business, including the Small Business Innovation Research program, may be counted as eligible sources of contributed funds.

**851—10.5(15E) Submission of proposals for financial assistance.**

**10.5(1) Submittal.** Proposals for financial assistance may be submitted to the foundation at any time. The foundation will provide applicants with acknowledgement of receipt of an application. Completed applications shall be submitted to: Wallace Technology Transfer Foundation, 200 East Grand Avenue, Suite 130, Des Moines, Iowa 50309-1827.

**10.5(2) *Incomplete or ineligible applications.*** The foundation will not review or evaluate an ineligible or incomplete application. Reasons for determining an application to be incomplete or ineligible include, but are not limited to, the following:

- a. The applicant does not meet the eligibility requirements of the program;
- b. The project proposal does not meet program guidelines;
- c. The application contains information which is insufficient or inadequate so that the foundation is unable to determine whether the proposal complies with program guidelines.

**10.5(3) *Content of proposals.*** Each application shall be in written form and shall include:

- a. The name of the sponsoring business or institution, the name of the person principally responsible for the project, with address and telephone number, and signatures attesting that the proposal is made with consent and authority of the institution or business;
- b. A description of the business or industry sector to be involved in the project, its history, form of organization and financial condition, current products, markets served, and résumés of principals and other key personnel to be involved in the project. Project applications submitted by a consortium of firms or institutions, or which are to serve a generalized sector of industry, shall include background information describing the scope and conditions of the industry in Iowa.
- c. A description of the project which sets forth the names and qualifications of personnel, activities to be undertaken, intended accomplishments, and significant risks.
- d. A project budget, indicating sources, uses and timing of funds.
- e. A statement of economic benefits to be derived from success of the project.

**851—10.6(15E) *Criteria for evaluation.*** Applications determined by the president to reflect satisfactory compliance with the purposes of the industrial technology access program shall be evaluated and ranked according to methods approved by the board. Criteria for proposal evaluation include:

**10.6(1) *Relevance to areas of economic strength.*** Projects shall focus on strengthening the linkage between technology resources of Iowa institutions of higher education and industry sectors that are significant in Iowa and for which the foundation's strategic planning has shown high projected growth in employment, productivity, and capital investment. Those sectors include the following: value-added agricultural products, especially grain products derived from fermentation or other biological processes; primary and fabricated metal products, especially farm, construction equipment, and appliance manufacturing; rubber and plastic products, especially products derived from recycling processes or advanced polymeric materials; biological and pharmaceutical products especially products for animal health; development of software products and computer applications, especially for manufacturing processes or telecommunications; printing, packaging and paper products.

**10.6(2) *Industry leadership and involvement.*** Projects shall have active involvement of Iowa-based business. Projects sponsored by educational institutions are eligible for financial assistance but must demonstrate evidence of industry leadership and participation.

**10.6(3) *Academic technology support.*** Projects shall strengthen the capacity of an Iowa institution of higher education to support technological improvement in Iowa businesses.

**10.6(4) *Temporary reliance on foundation assistance.*** Projects should reflect an experimental or innovative approach to strengthening the relationship between academic technology resources and business needs. Projects should be capable of providing lasting benefit for the state, but in a development process in which the foundation would have a temporary role.

**10.6(5) *Financial leverage.*** Projects which receive foundation financial assistance must have equivalent matching contributions from nonstate sources. Sources of matching funds may include contribution of in-kind services, facilities or equipment in addition to cash contributions made directly to the project. Federal funds are allowable as source of matching contributions. Projects assisted through the federal Small Business Innovation Research program are eligible for assistance in this industrial technology access program but shall be administered according to administrative rules of the foundation set forth in 851 IAC Chapter 9.

**10.6(6) Other public purposes.** The foundation's project selection process shall also reflect general mandates of state government to support priority areas of concern including minority or disadvantaged business development and improvement of economic conditions in areas of lower income and economic distress.

**851—10.7(15E) Approvals and awards of financial assistance.** Applications will be considered for funding by the board upon completion of the peer review process. The president shall provide a report to the board summarizing the evaluation of proposals. The board may accept, modify, or reject such evaluations and shall by resolution approve, deny or defer award of financial assistance in each case.

**851—10.8(15E) Contracts.** Upon approval of the board to proceed, the president shall prepare and enter into contracts for payment of financial assistance and for administration of each project. Such contracts shall be subject to terms and conditions established by the board and to such other terms as the president may find to be appropriate.

**851—10.9(15E) Administration of projects.**

**10.9(1) Use of funds.** Expenditures of funds furnished by the foundation shall be according to a budget set forth within a project contract. Expenditures which may represent a substantial change from such budget may not be made without the prior approval of the president.

**10.9(2) Audit.** Project contracts entered into by the foundation shall include provision for right of audit according to state law. Recipients shall be responsible for procurement of project audit services and for payment of costs. Representatives of the foundation or of the state auditor shall be given access to all records, books of account, documents, and property in use for or pertaining to the project and otherwise accessible according to law or agreement.

**10.9(3) Progress reporting and inspection.** Recipients shall be required to submit progress reports at intervals and of content specified in the project contract. Progress reports shall include but are not limited to review of use of funds in relation to budget and program objectives; progress of activities and accomplishments; and compliance with certifications made in the contract. The foundation may perform such reviews or field inspections it may deem necessary to ascertain program compliance.

**10.9(4) Default.** At any time, the foundation may, for cause, find that a recipient is not in compliance with terms of the project contract. Events of default include, but are not limited to:

- a. Use of foundation funds for purposes not approved in the project contract and budget.
- b. Failure to complete project activities or failure to complete activities in a timely manner.
- c. Failure to furnish timely, complete and accurate progress reports.
- d. Substantial change in personnel or other capacity to carry out the project according to the contract.
- e. Any material misrepresentation or warranty made by the recipient in connection with the project that was incorrect in any material respect when made.
- f. Failure of the recipient to make timely payments under the terms of the agreement, note or other obligation.
- g. Failure of the recipient to comply with the terms and conditions of the agreement.

**10.9(5) Remedies upon default.** If the foundation determines that the recipient is in default, the foundation may seek recovery of all program funds plus interest, negotiate alternative repayment schedules, or take other action as the foundation deems appropriate under terms of the contract.

These rules are intended to implement Iowa Code sections 15E.152 to 15E.166.

[Filed emergency 10/26/90 after Notice 9/19/90—published 11/14/90, effective 10/26/90]

[Filed emergency 11/4/94—published 11/23/94, effective 11/4/94]